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IN THE

Supreme Court of the United States

OCTOBER TERM, 1952

No. 46

HUGH W. SANFORD, *Petitioner*

v.

ROBERT C. KEPNER, *Respondent*

PETITIONER'S REPLY TO BRIEF FOR RESPONDENT

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Morgan v. Daniels, 153 U. S. 120, Did Not Decide Issue Here Involved

Much of the argument of the Respondent stems from his contention that this Court held in *Morgan* v. *Daniels* that the issue of patentability in a suit under § 4915 R. S. need not be decided by the Court if priority is found against the plaintiff. On the contrary this Court did not pass upon that question in *Morgan* v. *Daniels*, apparently because it was not raised. Consequently, that decision is not applicable to the present question.

Morgan v. *Daniels* decided only the question of the character of testimony required to overcome a Patent Office holding on priority in a suit under R. S. § 4915. It has

often been cited for that rule, and was so relied upon both by the District Court and by the Court of Appeals below in this case. It seems particularly significant, however, that neither of those Courts relied upon *Morgan* v. *Daniels* in support of the finding by those Courts that the issue of patentability need not be decided even though such issue was raised both in the complaint and in the proofs submitted.

On the other hand, *Hill* v. *Wooster*, 132 U. S. 693, was relied upon by both the District Court and the Court of Appeals in support of the conclusion reached by those respective courts that if priority should be decided in favor of the plaintiff, then patentability of the involved claims should be decided. This Court made clear in *Hill* v. *Wooster* that patentability is a proper issue to be raised in an action under R. S. § 4915.

Where the pleadings and proofs raise that issue, the Court should decide it without deciding only one issue, priority, raised in the pleadings. This is indicated further by Rule 54(b) of the Federal Rules of Civil Procedure, which precludes a final judgment "at any time before the entry of judgment adjudicating all the claims".

The complaint filed herein put in issue two questions, one of which was patentability, and the second was priority. The District Court decided only the issue of priority without decision of patentability.

The Brief for the Respondent admits (page 8) that neither decision, *Hill* v. *Wooster* or *Morgan* v. *Daniels*, "bars a decision on patentability in any case". This is a startling admission where the remainder of the Respondent's argument seems to be that *Morgan* v. *Daniels* bars a decision on patentability in any case where priority has not been decided in favor of the plaintiff. Since *Morgan* v. *Daniels* does not bar a decision on patentability in any case, as in fact it does not, and since Petitioner has raised the issue of patentability, the District Court should have decided that issue as one of the claims for relief under Rule 54(b), F.R.C.P.

The position of Petitioner herein has been stated clearly in his brief (page 6, last paragraph), that an applicant seeking relief under R. S. § 4915 has a right to put in issue, and to have determined, both patentability and priority. This is the rule which has been applied in the Seventh Circuit and in the District of Columbia.

Consistent Decisions in Other Cases

The Brief for Respondent argues that the cases in those Circuits are not inconsistent with the cases in the Sixth Circuit relied upon by the Courts below, and attempts to show a consistency through an apparent misstatement of the facts, contrary from the interpretation thereof set forth in the Brief for Petitioner.

In *Knutson* v. *Gallsworthy* (C.A.D.C.), 164 F. 2d 497, it is asserted in the Brief for Respondent that "the Trial Court found priority for a plaintiff as to one of the counts, making the determination of patentability mandatory" (page 11). This statement appears to be erroneous because the District Court not only failed to find any issue of priority in favor of the plaintiffs in the several actions, but it even decided against the plaintiffs on one claim that had been awarded to them by the Patent Office and, therefore, took away whatever claim of priority they had been previously awarded. It is submitted that it cannot be said fairly of the decision in that *Knutson* case that patentability was decided because of a decision for the plaintiff on priority. The contrary is definitely stated in the opinion of the Court of Appeals that patentability is a proper issue in a proceeding under R. S. § 4915 "and, if raised, must be decided". That is precisely the position of the Petitioner here.

In *Minneapolis Honeywell Regulator Co.* v. *Milwaukee Gas Specialty Co.* (C.A. 7), 174 F. 2d 203, the Brief for Respondent states (page 11) that the Trial Court "adjudged the plaintiff entitled to a patent", and therefore decided patentability. On the contrary, the Court con-

sidered first and foremost the question of patentability and the prior art for the purpose of interpreting the scope of the claims. Only then was the issue of priority considered. That also is precisely the position of the Petitioner here.

It seems significant that the Court of Appeals below did not attempt to distinguish either of these *Knutson* and *Minneapolis* cases on the statement of facts, as does the Respondent here, but the Court of Appeals recognized that its decision was directly contrary therefrom. The Court of Appeals stated that those Circuits "have declared unequivocally that patentability of the invention disclosed is the first issue that should be decided" (R. 20), when put in issue by the pleadings and proofs.

The Brief for Respondent states further that footnote 29 in *Hoover Co.* v. *Coe*, 325 U. S. 79, had reference to R. S. § 4918 rather than R. S. § 4915. This is not the case because it stated specifically that it applied to a bill filed after Patent Office decision on interference. § 16 of the Act of 1836 did in fact cover both interfering applications and interfering patents. § 4918 provided specifically that either interfering patent could be declared invalid. Such a provision was omitted, as stated by Justice Roberts in footnote 29, from § 4915, as surplusage. Consequently, the footnote amply described the situation as to this provision of the statute, and confirms the view expressed in the *Knutson* and *Minneapolis* cases that patentability is a proper issue to be raised, and should be decided.

The Respondent refers to amendments of R. S. § 4915 after previous decisions of this Court. The only previous decision on this question was *Hill* v. *Wooster*, that patentability should be decided. Consequently, such construction must prevail to the extent there adjudicated.

The Respondent expresses grave fears as to the effects of a reversal of this erroneous decision by the lower Courts. His fears are entirely unfounded. There is no likelihood that the Trial Court will be called upon "to decide patentability in all cases". None of these cases goes so far.

In both of the *Knutson* and *Minneapolis* cases, it is only when the issue of patentability "if raised, must be decided". That is precisely the position of the Petitioner here.

Right to Determination of Question Presented.

The Respondent argues that because the Petitioner did not confuse the issue here involved with an argument of his rights as to priority, the second issue raised in the District Court, the Petitioner has no standing in this appeal. The fallacy of this argument should be evident.

As noted in Petitioner's Reply Brief on Petition for Certiorari, the Petitioner has never conceded, and does not now concede, that he was not the first inventor of the subject matter here involved. However, this Court has frequently reviewed interlocutory questions of law, as in *Hoover Co.* v. *Coe*, 325 U. S. 79.

The decision of the Court of Appeals on priority adjudicated only that issue against the Petitioner on the evidence there before the Court, but the judgment is not final until all issues have been determined, according to Rule 54(b) F.R.C.P. The cases cited for the Respondent on this question apply only where the Court could grant the plaintiff no relief of any kind, but the decision on priority by the Courts below neither forecloses the District Court from reconsidering the question of priority in the light of the prior art, and an interpretation of the counts thereby, nor does it decide the issue of patentability as raised in the complaint.

It will be noted that one of the prayers in the complaint (R. 6) was as follows:

> "3. That the defendant, Robert C. Kepner, is not entitled to receive Letters Patent of the United States for the subject matter of the aforesaid claims, and that the claims are unpatentable to said Kepner."

The adjudication of that issue should be had in the District Court. It is one of the issues raised and one that is to be decided. Until that has been done and judgment entered, the Court has jurisdiction and power to grant plaintiff the relief sought in that prayer.

Respectfully submitted,

J. PRESTON SWECKER,
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Washington, D. C.
October 23, 1952.